



## JOINT MEETING OF THE RETIREMENT BOARDS

The Employees and Fire and Police Retirement Boards met in a joint session in Council Chambers, 2<sup>nd</sup> Floor, City Hall, 2600 Fresno Street, Fresno, California at the hour of 2:15 p.m. on the day above written.

### Roll Call at 2:15 p.m.

Present for the Employees Retirement Board:

William Quick	Chair
Carla Lombardi	Vice-Chair
Darrell Fifield	Member
Frank Balekian	Member
Marvell French	Member

Present for the Fire and Police Retirement Board:

Brian Burry	Chair
Darrell Fifield	Vice-Chair
Carla Lombardi	Member
Paul Cliby	Member

Absent:

Stephen Guinn	Member
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APPROVE MINUTES OF THE **JOINT  
RETIREMENT BOARD** FOR FEBRUARY  
26, 2004, REGULAR JOINT MEETING.

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ON MOTION of Chair Quick seconded by Member Balekian, duly carried, RESOLVED to approve the minutes of February 26, 2004, hereby approved by the following vote:

Ayes:	Quick, Lombardi, Fifield, Balekian, French
Noes:	None
Abstain:	None
Absent:	None

ON MOTION of Member Cliby seconded by Member Lombardi, duly carried, RESOLVED to approve the minutes of February 26, 2004, hereby approved by the following vote:

Ayes:	Burry, Fifield, Lombardi, Cliby
Noes:	None
Abstain:	None
Absent:	Guinn

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APPROVE AGENDA OF FEBRUARY 11, 2004 ;

Upon call and hearing no objections, March 10, agenda is approved as presented.

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## **TIMED SCHEDULED HEARINGS AND MATTERS**

NONE ;

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## **CONSENT CALENDAR**

CONFIRM DATE AND TIME FOR THE NEXT  
REGULAR JOINT MEETING OF THE  
RETIREMENT BOARDS SCHEDULED FOR  
2:15 P.M. ON APRIL 14, 2004, FRESNO  
CITY HALL, 2600 FRESNO STREET,  
MEETING ROOM 2165-A ;

Member Balekian requests that the May regular Board meeting be rescheduled and after brief discussion and hearing no objections, meeting is rescheduled to May 20, 2004.

CONFIRM DATE AND TIME FOR THE NEXT  
INVESTMENT COMMITTEE MEETING  
SCHEDULED FOR 8:30 A.M. TO 1:30 P.M.  
ON MARCH 18, 2004 TO BE HELD IN  
MEETING ROOM 2165-A ;

CONFIRM DATE AND TIME FOR THE NEXT  
ADMINISTRATIVE COMMITTEE MEETING  
SCHEDULED FOR 9:00 A.M. TO 12:00  
NOON ON FEBRUARY 26, 2004 ;

A request is made by Retirement Administrator, Stanley McDivitt, to reschedule Administrative Committee meeting on March 25, 2004, due to conflict and to allow the actuary more time to draft option language for review and remarriage issues. Brief discussion follows and meeting is rescheduled to Friday, April 2, 2004.

ON MOTION of Member Cliby seconded by Member Fifield, duly carried, RESOLVED to approve the consent calendar, hereby approved by the following vote:

Ayes:	Burry, Fifield, Lombardi, Cliby
Noes:	None
Abstain:	None
Absent:	Guinn

ON MOTION of Member Balekian seconded by Member Lombardi, duly carried, RESOLVED to approve the consent calendar, hereby approved by the following vote:

Ayes:	Quick, Lombardi, Fifield, Balekian, French
Noes:	None
Abstain:	None
Absent:	None

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## EMPLOYEE PERSONNEL ISSUES

None.

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## STAFF INITIATED ITEMS

None.

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## BOARD INITIATED ITEMS

CONSIDER RECOMMENDATION FROM THE  
ADMINISTRATIVE COMMITTEE TO  
APPROVE A POLICY AND PROCEDURE FOR  
MAILINGS TO RETIREES AND  
BENEFICIARIES

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Russ Richeda, Legal Counsel reviews the proposed Board policy as presented referring to minor corrections that will be made.

ON MOTION of Member Balekian seconded by Member French, duly carried, RESOLVED to approve policy and procedure for mailings to retirees and beneficiaries, hereby approved by the following vote:

Ayes: Quick, Lombardi, Balekian, Fifield, French  
Noes: None  
Abstain: None  
Absent: None

ON MOTION of Member Fifield seconded by Member Cliby, duly carried, RESOLVED to approve policy and procedure for mailings to retirees and beneficiaries, hereby approved by the following vote:

Ayes: Burry, Fifield, Lombardi, Cliby  
Noes: None  
Abstain: None  
Absent: Guinn

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CONSIDER RECOMMENDATION FROM THE  
INVESTMENT COMMITTEE TO HIRE  
BARCLAYS GLOBAL INVESTMENTS TO  
MANAGE THE SYSTEMS' ALPHA TILTS  
PORTFOLIO AND TERMINATE JOHN  
MCSTAY SMALL CAP GROWTH EQUITY  
PORTFOLIO

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Administrator McDivitt reviewed the evaluation process, summarized the report as recommended by the Investment Committee regarding the need to rebalance the portfolio and reduce our small cap asset allocation, the underperformance of the John McStay Small Cap Growth portfolio, and to approve the use of Northern Trust to liquidate the John McStay small cap portfolio; responding to questions from Employees Member Balekian. Discussion follows with Member Balekian requesting a report of the gains and losses.

ON MOTION of Member Balekian seconded by Member Lombardi, duly carried, RESOLVED to retain the services of Barclays Global Investments in their Alpha Tilts Large Cap portfolio, terminate and liquidate the holdings in the John McStay Small Cap Growth portfolio using Northern Trust to liquidate the John McStay small cap portfolio, hereby approved by the following vote:

Ayes: Burry, Fifield, Lombardi, Cliby  
Noes: None  
Abstain: None  
Absent: Guinn

ON MOTION of Member Balekian seconded by Member French, duly carried, RESOLVED to retain the services of Barclays Global Investments in their Alpha Tilts Large Cap portfolio, terminate and liquidate the holdings in the John McStay Small Cap Growth portfolio using Northern Trust to liquidate the John McStay small cap portfolio, hereby approved by the following vote:

Ayes: Quick, Lombardi, Fifield, French  
Noes: Balekian  
Abstain: None  
Absent: None

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## GENERAL DISCUSSION

### REPORT FROM THE RETIREMENT ADMINISTRATOR ON RETIREMENT PROJECTS AND COMMITTEE ACTION AGENDAS

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Administrator McDivitt reviewed the status of ongoing projects, the high-yield fixed income search, securities litigation monitoring services, reviewing actuarial reports for special studies and awaiting surplus projection report, Retirement Office relocation project, Board elections, and web site development.

Fire and Police Chair Burry requests that Administrative Committee review of the STAR COLA proposal and update of Conger case.

Administrator McDivitt continues reporting that Carol Eland had attended a City Council Health and Welfare workshop, brief discussion follows and legal counsel is directed to submit a report to the Administrative Committee whether the board of trustees of a public sector health trust is legally required to use unit voting to take trust action.

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### PENDING ACTION LIST DATED FEBRUARY 2, 2004 FROM RUSS RICHEDA SALTZMAN & JOHNSON LAW CORPORATION

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Legal Counsel reviewed the list as presented.

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## INFORMATION ONLY ITEMS

FRESNO CITY EMPLOYEES HEALTH AND WELFARE TRUST FOR THE REGULAR BOARD MEETING DATED FEBRUARY 11, 2004 AND MINUTES OF THE REGULAR BOARD MEETING DATED JANUARY 14, 2003.

Received.

WEB ARTICLE DATED FEBRUARY 25, 2004, REGARDING BOND RATING DOWNGRADE

Received.

FRESNO BEE ARTICLE DATED FEBRUARY 12, 2004, REGARDING \$400 MILLION BOND DEAL

Received.

WEB ARTICLE DATED FEBRUARY 5, 2004, REGARDING SAN DIEGO PENSION DEFICIT

Received.

JANUARY 2004 NEWS SCAN, FROM GABRIEL, ROEDER, SMITH & COMPANY

Received

NCPERS, PERSIST, WINTER 2004

Received

SEGAL, PUBLIC SECTOR LETTER, FEBRUARY 2004

Received

## UNSCHEDULED ORAL COMMUNICATIONS

None.

## PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING

None.

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## PUBLIC COMMENTS

None.

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## ADJOURNMENT – 2:34 p.m.

There being no further business to bring before the Board, and hearing no objections, the Chairs declare the Joint Retirement Board regular meeting adjourned.

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Brian Burry, Chair  
Fire & Police Retirement Board

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William Quick, Chair  
Employees Retirement Board

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Retirement Board Secretary/Deputy